

## **Healthy Indiana Plan 2.0**







# Consumer-Directed Healthcare: An Indiana Tradition



### **Consumer-Directed Plans**

#### Education

- Educate individuals about their coverage
- Provide information about costs and benefits

#### Engagement

- Encourage individuals to act as consumers
- Consider cost & quality in health decisions

#### Responsibility

- Foster personal responsibility for health
- Encourage positive, long-term behaviors

## **HIP Success**



HIP improves health care utilization

Lowers inappropriate emergency room use by 7% compared to traditional Medicaid

60% of HIP members receive preventive care - similar to commercial populations

80% of HIP members choose generic drugs, compared to 65% of commercial populations HIP results in high member satisfaction

96% of enrollees satisfied with HIP coverage

83% of HIP enrollees prefer the HIP design to co-payments in traditional Medicaid

98% would enroll again

HIP promotes personal responsibility

93% of members make required POWER account contributions on time

30% of members ask their healthcare provider about the cost of services

## **COVERAGE GAP...**

@GovPenceIN

**>>>** COVERAGE GAP:

350,000 UNINSURED HOOSIERS

#HealthyIndiana

## Indiana's Commitment to HIP

## **Expansion or Continuation:**

## 2 Proposals to the Federal Government

#### PROPOSAL #1

Eliminate traditional Medicaid for all non-disabled adults & Expand HIP to Hoosiers below 138% of the federal poverty level through HIP 2.0.

#### PROPOSAL #2

If HIP Version 2.0 is not approved, continue the existing program.

## Healthy Indiana Plan Version 2.0





## **HIP 2.0: Key Goals**

Make Hoosiers Healthier

Ensure HIP expansion is fiscally sustainable

Promote employer sponsored coverage & family coverage options Preserve Core Principles of HIP

Create
pathways to
independence
from public
assistance

Provide health coverage to low income Hoosiers & ensure network adequacy

Empower participants to make cost-and quality-conscious health care decisions



## Plan Structure

## **Current HIP Plan Structure**

#### \$500 Free Preventive Care

- Smoking Cessation
- Cancer Screenings
- Diabetes Care Physicals

#### **POWER Account**

\$1,100 Individual\* & State Contributions

•Controlled by participant to cover initial medical expenses

#### **INSURANCE COVERAGE**

\$300,000 Annual Coverage \$1 Million Lifetime Coverage

#### **Covered Services**

- Comprehensive Benefits
- ► No Dental, Vision or Maternity
- Members that do not make contributions are dis-enrolled for 12 months





## **HIP 2.0 Benefits**

- Remove annual and lifetime limits.
- Add maternity coverage
- Includes several different plan designs which vary by specific benefits included and mechanism for costsharing.
- Maintain POWER account for all participants
  - Increase account to \$2500





- For all Hoosiers with incomes below 138% FPL.
- HIP member and State jointly fund POWER account.
- No other required contribution/cost-sharing except for non-emergency use of ER.
- Includes comprehensive medical as well as dental and vision.
- Covers maternity services with no cost-sharing for the duration of pregnancy.



#### **New Affordable Contributions**

#### **HIP 2.0 POWER Account Contributions**

FPL	Monthly Income Single Individual	Monthly Contribution	
<22%	\$214	\$3	
23%- 50%	\$224 to \$487	\$8	
51%- 100%	\$496 to \$973	\$15	
101%- 138%	\$983 to \$1,342	\$25	

Lower, flat rate contributions

 Penalties for members that do not make contribution

#### **Non-payment Penalties:**

<100% FPL

Maintains coverage through HIP Basic Plan

Copays for all services

>100% FPL

Disenrolled for six months



## **HIP Basic Plan**

- Available to Hoosiers below 100% FPL.
- More limited benefit package than HIP+
  - No vision or dental benefits
  - Lower service limits for some therapies
- Requires co-pays for all services
- POWER account in place but without member contributions
  - Preserves incentives to be cost-conscious and pursue preventive care.
- Covers maternity with no cost sharing.



## **HIP Basic Plan Co-pays**

Alternative co-payment schedule for members below 100% FPL who fail to make POWER account contributions

Service	HIP Basic Co-Pay Amounts <=100% FPL	
Outpatient Services	\$4	
Inpatient Services	\$75	
Preferred Drugs	\$4	
Non-preferred drugs	\$8	
Non-emergency ED visit	Up to \$25	



## **HIP Link**

- Provides financial support to members who wish to access employer-sponsored insurance.
- POWER Account in place
  - Monthly contributions by member
  - Contributions by State
  - Funds premiums, co-pays, deductibles.
- ▶ Will not be in place until sometime in 2016.



## **Benefit Plan Comparison**

	HIP Basic	HIP Plus	State Plan Benefits	HIP Employer Benefit Link
Covered Groups	<ul> <li>Income below 100% FPL</li> <li>Fail to make POWER account contribution</li> </ul>	<ul> <li>Income up to 138% FPL</li> <li>Consistent POWER account contributions</li> </ul>	<ul><li>Medically frail</li><li>Very low income parents</li><li>Pregnant women</li></ul>	Optional for all HIP eligible individuals with access to cost-effective employer-sponsored insurance (not medically frail)
Cost- sharing	Co-payments for <i>all</i> services:	POWER Account Contributions  No Other Co-payments, except: Non-emergency ED visit: \$25	Co-payments or POWER account contribution (pregnant women are exempt from cost-sharing)	POWER account can be used for premiums, copays, or deductibles
Benefits	<ul><li>Lower service limits</li><li>Limited drug formulary</li></ul>	<ul><li>Vision &amp; dental benefits</li><li>Increased service limits</li><li>Comprehensive formulary</li></ul>	Current Medicaid Benefits as required by federal law	Employer Plan     Benefits



## Summary & Next Steps



## **HIP 2.0 Summary**

Builds on the success of HIP

Maintains fiscal responsibility

Offers choices for members

Emphasizes personal responsibility

Promotes private market coverage

Enhances provider networks

Promotes healthy Hoosiers



## **Next Steps**

Post HIP 2.0 waiver for public comment

Finalize waiver based on public input Submit waiver to CMS in June 2014 Potential HIP expansion in 2015, based on timing of federal approval

To comment on the HIP 2.0 waiver application, email: **HIP2.0**@fssa.in.gov.

There are two futures in health care – government-directed or consumer-driven. Indiana has chosen consumer-driven health care.

GOVERNOR PENCE